

1 AN ACT in relation to public employee benefits.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Pension Code is amended by
5 changing Section 17-119.1 as follows:

6 (40 ILCS 5/17-119.1)

7 Sec. 17-119.1. Optional increase in retirement annuity.

8 (a) A member of the Fund may qualify for the augmented
9 rate under subdivision (b)(3) of Section 17-116 for all years
10 of creditable service earned before July 1, 1998 by making
11 the optional contribution specified in subsection (b). A
12 member may not elect to qualify for the augmented rate for
13 only a portion of his or her creditable service earned before
14 July 1, 1998.

15 (b) The contribution shall be an amount equal to 1.0% of
16 the member's highest salary rate in the 4 consecutive school
17 years immediately prior to but not including the school year
18 in which the application occurs, multiplied by the number of
19 years of creditable service earned by the member before July
20 1, 1998 or 20, whichever is less. This contribution shall be
21 reduced by 1.0% of that salary rate for every 3 full years of
22 creditable service earned by the member after June 30, 1998.
23 The contribution shall be further reduced at the rate of 25%
24 of the contribution (as reduced for service after June 30,
25 1998) for each year of the member's total creditable service
26 in excess of 34 years. The contribution shall not in any
27 event exceed 20% of that salary rate.

28 The member shall pay to the Fund the amount of the
29 contribution as calculated at the time of application under
30 this Section. The amount of the contribution determined
31 under this subsection shall be recalculated at the time of

1 retirement, and if the Fund determines that the amount paid
2 by the member exceeds the recalculated amount, the Fund shall
3 refund the difference to the member with regular interest
4 from the date of payment to the date of refund.

5 The contribution required by this subsection shall be
6 paid in one of the following ways or in a combination of the
7 following ways that does not extend over more than 5 years:

8 (i) in a lump sum on or before the date of
9 retirement;

10 (ii) in substantially equal installments over a
11 period of time not to exceed 5 years, as a deduction from
12 salary in accordance with Section 17-130.2;

13 (iii) ~~if the member becomes an annuitant before~~
14 ~~June 30, 2003,~~ in substantially equal monthly
15 installments over a 24-month period, by a deduction from
16 the annuitant's monthly benefit.

17 (c) If the member fails to make the full contribution
18 under this Section in a timely fashion, the payments made
19 under this Section shall be refunded to the member, without
20 interest. If the member dies before making the full
21 contribution, the payments made under this Section shall be
22 refunded to the member's designated beneficiary.

23 (d) For purposes of this Section and subsection (b) of
24 Section 17-116, optional creditable service established by a
25 member shall be deemed to have been earned at the time of the
26 employment or other qualifying event upon which the service
27 is based, rather than at the time the credit was established
28 in this Fund.

29 (e) The contributions required under this Section are
30 the responsibility of the teacher and not the teacher's
31 employer. However, an employer of teachers may, after the
32 effective date of this amendatory Act of 1998, specifically
33 agree, through collective bargaining or otherwise, to make
34 the contributions required by this Section on behalf of those

1 teachers.

2 (Source: P.A. 90-582, eff. 5-27-98; 91-17, eff. 6-4-99.)

3 Section 90. The State Mandates Act is amended by adding
4 Section 8.25 as follows:

5 (30 ILCS 805/8.25 new)

6 Sec. 8.25. Exempt mandate. Notwithstanding Sections 6
7 and 8 of this Act, no reimbursement by the State is required
8 for the implementation of any mandate created by this
9 amendatory Act of the 92nd General Assembly.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.